

Canadian Celanese Limited

ANNUAL REPORT
FOR THE YEAR ENDED
DECEMBER 31st
1931



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McGILL UNIVERSITY

Canadian Celanese Limited

ANNUAL REPORT

FOR THE YEAR ENDED

DECEMBER 31st

1931



Directors

BRIG.-GEN. SIR WILLIAM ALEXANDER
K.B.E., C.B., C.M.G., D.S.O., M.P.

C. L. AUGER	HENRI DREYFUS
LEE CADIEN	A. SCHWARTZ
W. McC. CAMERON	P. A. THOMSON
CAMILLE DREYFUS	G. H. WHIGHAM (Chairman)

Finance and Executive Committee

P. A. THOMSON (Chairman)	CAMILLE DREYFUS
G. H. WHIGHAM	W. McC. CAMERON

Officers

G. H. WHIGHAM, Chairman of Board of Directors	
CAMILLE DREYFUS, President	
W. McC. CAMERON, Vice-President	
LEE CADIEN, Secretary and Treasurer	
C. W. PALMER	R. H. SPERLING
Vice-President	Factory Manager
C. HESSEY-WHITE	
Sales Manager	

General Offices

1401 McGill College Avenue
Montreal, P. Q.

Factory

Drummondville
P. Q.

Auditors

MESSRS. P. S. ROSS & SONS
Montreal, P. Q.

DIRECTORS' REPORT

To the Shareholders
of Canadian Celanese Limited:

Appended hereto are copies of the Balance Sheet showing the financial position of the Company as at December 31, 1931 and the Profit and Loss and Surplus Account for the year ended December 31, 1931 together with the statement of the Company's auditors, Messrs. P. S. Ross & Sons.

The net profit from operations for the year was \$1,260,448.85 as compared with \$1,254,529.67 for the previous year. After making provision for income tax, depreciation, and other deductions, and after deducting \$77,612.18 to re-establish the reserve for contingencies and unascertained charges to \$100,000.00, there was carried to Surplus Account \$805,164.83 as compared with \$811,512.05 last year.

Dividends distributed to the holders of the 7% Cumulative Participating Preferred shares during the year amounted to \$630,000.00.

A special reserve in the amount of \$150,000.00 was appropriated from Surplus for market depreciation of investment securities held by the Company, or to be used for other purposes.

The total surplus at the end of the year was \$1,730,478.49 as compared with \$1,713,478.56 for the year ended December 31, 1930.

Current assets exceed current liabilities in the ratio of of eleven to one.

At a special meeting of the shareholders, held on July 2, 1931, Supplementary Letters Patent were approved to provide for the payment of dividends on the 7% Cumulative Participating Preferred shares quarterly on March 31, June 30, September 30 and December 31 instead of on June 30 and December 31.

During the year your Company's stock was listed on the Montreal Stock Exchange.

Based on these results obtained under adverse conditions your Directors view the future of this Company with confidence. Your Board thanks the employees of the Company for their zeal, loyalty and co-operation.

For the Board of Directors,
CAMILLE DREYFUS,
President.

February 15, 1932.

Balance Sheet
as at December 31, 1931

Assets

FIXED:

Real Estate, Plant, Organization and Development Expenses, Patents, etc.	\$ 9,495,962.54
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CURRENT:

Cash on Hand and in Banks	\$ 396,394.13	
Bonds and Stocks at Cost	1,150,819.10	
Accounts Receivable and Accrued Interest	380,310.06	
Inventories of Raw Materials, Sup- plies, Work in Process and Finished Goods	1,379,172.08	3,306,695.37

DEFERRED AND PREPAID CHARGES:

Unexpired Insurance, Taxes, etc.	24,092.41
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\$12,826,750.32

Approved on behalf of the Board:

(Signed) C. L. AUGER	Director
W. McC. CAMERON	Director

Balance Sheet
as at December 31, 1931

Liabilities

CAPITAL STOCK:

AUTHORIZED:

150,000 Shares 7% Cumulative
Participating Preferred
300,000 Shares Common without
Nominal or Par Value

ISSUED:

90,000 Shares 7% Cumulative Participating Preferred	\$ 9,000,000.00	
250,409 Shares Common without Nominal or Par Value	981,545.00	\$ 9,981,545.00

(Arrears of Dividends on Preferred Shares \$29.75 per Share)

RESERVE FOR DEPRECIATION OF BUILDINGS, MACHINERY AND EQUIPMENT	561,308.76
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RESERVE FOR CONTINGENCIES AND UN-ASCERTAINED CHARGES	100,000.00
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SPECIAL RESERVE	150,000.00
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CURRENT:

Notes Payable	120,480.00	
Accounts Payable and Accrued Liabilities	182,938.07	303,418.07

SURPLUS:

Per Statement attached	1,730,478.49
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\$12,826,750.32

Examined and Certified in accordance
with our attached Certificate.

P. S. ROSS & SONS,
Chartered Accountants

Montreal, February 6, 1932.

STATEMENT OF PROFIT AND LOSS AND SURPLUS ACCOUNT

For the Year Ended December 31, 1931.

Profit from Operations		\$ 1,260,448.85
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DEDUCT:

Depreciation	\$ 241,992.49	
Income Tax and Other Deductions	135,679.35	
Reserve for Contingencies and Unascertained Charges	77,612.18	455,284.02
		<u>805,164.83</u>

ADD:

Balance at Credit of Surplus Account, December 31, 1930:		
Paid In	339,530.32	
Earned	1,373,948.24	
	<u>1,713,478.56</u>	

Less Additional Income Tax paid in respect of Prior Periods	8,164.90	1,705,313.66
		<u>2,510,478.49</u>

DEDUCT:

Dividend of 7% on Preferred Shares paid during 1931	630,000.00	
Special Reserve Account	150,000.00	780,000.00
		<u></u>

Balance at Credit of Surplus Account,
December 31, 1931:

Paid In	339,530.32	
Earned	1,390,948.17	1,730,478.49
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AUDITORS' CERTIFICATE

February 6, 1932.

To the Shareholders,
Canadian Celanese Limited,
Montreal.

We have examined the books of account and financial records of Canadian Celanese Limited for the year ended December 31, 1931 and have obtained all the information and explanations we have required.

Your Investment Securities are shown on the attached Balance Sheet at their actual cost, the Reserve for Contingencies and the Special Reserve being considered adequate to provide for the decline in the market value of these securities as at December 31, 1931.

We certify that, in our opinion, the attached Balance Sheet and relative Profit and Loss and Surplus Account present a true and correct statement of the financial position of the Company as at December 31, 1931, and the results from operations for the year ended that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

P. S. ROSS & SONS

Chartered Accountants.

